

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

City of Duluth

ECONOMIC DEVELOPMENT PROGRAM

2013 Application Guidelines

PROGRAM GOAL

The CDBG program provides grant funds to support economic development projects that implement the City's Consolidated Plan, which seeks to reduce poverty by assisting persons with low and moderate incomes in achieving economic self-sufficiency.

ELIGIBLE PROGRAM APPLICANTS

Eligible applicants include private 501(C)3 nonprofit organizations, governmental units, for-profit business or community-based development organizations (CBDO).

ELIGIBLE ACTIVITIES

When evaluating economic development projects, the City will consider how well activities outlined in the applications address the following areas of program focus: Create new jobs filled by Duluth residents having low or moderate incomes; employment training that leads to job placement (Economic Opportunity Initiative).

Examples of activities fundable under this category:

Demolition/Acquisition of Development Sites

Commercial/Industrial Rehabilitation

Business Technical Assistance/Employment training

Business Support (loans/grants)

PUBLIC BENEFIT STANDARDS

Applications with a job creation outcome must meet a \$10,000/job created over a two year period. Applications for the Duluth At Work program will be for a three year period at \$8,000/job placement (\$4,000 for year 1, and \$1,000 for year 2 & 3), and \$10,000/business assisted with \$2,000 for each success, to achieve a 25% increase in business revenue.

LOCAL REQUIREMENTS

Duluth At Work program - Employment training that leads to job placement (either a CBDO or non-profit that has employer commitments for job placements) and maintaining a three year relationship to mentor participants with a target increase in income of 25% from the time they enter the program through placement and after three years. Businesses will participate in Technical Assistance Training to increase business revenues by 25% over a three-year period.

Duluth At Work Program (Best Practices in Poverty Reduction)

The initiative is based upon a model from Portland Oregon, which was funded with various funding sources that included CDBG and LISC (Local Initiative Support Corporation), which utilized a series of well researched best practices. The research

demonstrated that there is no one-size-fits-all approach to assisting low-income people to attaining higher wage jobs. The following elements are incorporated into the design of the programs mentioned above:

1. Serve a relatively small number of participants, so that the program can build on their individual strengths and be tailored to their individual and common needs.
2. Projects should serve groups with a common business/career track or similarity in ethnicity, housing or personal challenges or situation. Structured opportunities for peer support should be incorporated into all projects.
3. Offer comprehensive support services to remove personal barriers to success such as transportation, limited English, child care, housing status, lack of financial education and problem work behaviors. This requires some supported referrals and purchase of goods and services.
4. Emphasize development of strong long-term mentoring/coaching relationships between project staff and participants.
5. Involve employers early in program and curriculum design and by obtaining their commitment to employ graduates of workforce programs. Use active, workplace based training approaches when possible.
6. Use individualized, comprehensive business planning and assessment with hands-on/on-site business coaching in addition to structured business education and training activities.

Please contact the following staff person regarding questions on the application:

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Economic Development